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Page 1 of 2 SAFC 12806

COPY 1 OF 3

January 16, 1957

Dear George:

The enclosed proposals bring the data reduction program up-to-date. The first proposal covers the added research and development costs for the 3-channel equipment for use with Systems 1 and 3. The added cost of the program is [REDACTED] is

25X1A [REDACTED] and the total cost, including fee, is [REDACTED] The 25X1A

25X1A this program is [REDACTED] 25X1A

and the total cost, including fee, is [REDACTED] These are substantial cost increases for both of these programs, but the data reduction equipment started out as a fairly simple concept involving limited modification to commercially available equipment. Since then many additional requirements have been imposed upon the systems. These added requirements are outlined in the Statements of Work for the respective programs.

Similarly the production cost of the data reduction equipment has substantially increased because of the added complexity. The new production cost estimates for the 3-channel equipment have already been forwarded to you as a part of the SAC proposal. Exhibit A summarizes the new costs of 3-channel equipment for you and for SAC based on the new quantities of equipment required. Exhibit B is a revised delivery schedule for 3-channel equipment based on the extensive changes which have been made.

The third proposal enclosed covers production modifications to the F Rack to include the two (2) moving styli, compatibility with 14-channel equipment for System 4 and the timing function modification. These add \$1,361.74 to the cost of the F Rack. Total cost for modification of fourteen (14) racks, two (2) are not to be modified,

25X1A

The fourth proposal covers the development and production costs of modification to the C Rack to provide variable speed drives. Jim S. requested such a proposal during his last visit.

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No work has been done on this program and none will be undertaken until we receive authorization from you.

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SECRET

SECRET

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The fifth proposal is a revised production estimate for the 14-channel data-reduction equipment. The production costs of this equipment have been substantially increased by the addition of two (2) new racks and by the many engineering changes incorporated in the system. Based on the existing requirement for six (6) of these systems one of which is to be produced as a part of the research and development program, the total cost of production

25X1A

The rates on these several proposals vary depending on whether the bulk of the work is to be performed in 1956 or 1957 and whether the Electronic Instrumentation Division or the Communications Division is performing the work.

Sincerely,


Dean

Enclosures:

Copies 1-3 of 4 of the following documents:
CMCC 1131X5.67
CMCC 1132X5.58
CMCC 1132X5.59
CMCC 1134X5.10
CMCC 1131X5.68 - para F.1.
CMCC 1132X5.60
CMCC 1132X5.61
CMCC 1134X5.11
CMCC 1132X5.83
CMCC 1134X5.27

Copies 1-3 of 5 of the following documents:
CMCC 1131X5.75 CMCC 1134X5.20
CMCC 1132X5.65 CMCC 1131X5.76
CMCC 1134X5.15 CMCC 1132X5.66
CMCC 1131X5.81 CMCC 1134X5.16
CMCC 1132X5.76

Copies 1-3 of 10 of CMCC 1133X5.16

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